



ROBIN J. VOS

STATE REPRESENTATIVE • RACINE COUNTY

**Testimony on Assembly Bill 496
Property tax exemption for certain housing facilities
State Representative Robin Vos
February 15, 2012**

Dear Chairman Murtha and members of the Assembly Housing Committee:

Thank you for holding a hearing on Assembly Bill 496 relating to property tax exemptions for certain housing facilities.

Under current law, a property tax exemption exists in state statute for a student housing facility on the UW Madison campus, known as the Pres House, affiliated with the Presbyterian Church on campus.

In order for the Pres House to take advantage of this exemption, by law they must maintain nonprofit status, at least 90 percent of the residents (with a maximum limit of 300 residents) must be students enrolled at the UW Madison, and the facility must offer support services and outreach programs to its residents, the public or private educational institution the residents attend, and the public.

This draft seeks to tighten up the statutory language to ensure that the intent is clear. The Pres House will continue to be grandfathered in and keep its exemption, but no other facility will be allowed to have such an exemption. Current law is broad enough that it would be possible for fraternities and sororities to qualify for the exemption. It is not appropriate for the property taxes of these facilities to be shifted to already heavily-taxed business owners and homeowners.

Again thank you for your time and attention to this matter. I would be happy to answer any questions.



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To: Assembly Housing Committee

From: Nicholas Zavos,
Government Relations Officer
City of Madison

Re: Support of AB 496

The 2009-11 state budget created a property tax exemption specifically designed for the Pres House, a student housing facility on the UW Madison campus affiliated with the Presbyterian Church on campus.

The law only applies in Madison – to qualify, at least 90 percent of the residents (with a maximum limit of 300 residents) must be students enrolled at the UW Madison. The only other requirements of the law are: 1) that the facility be owned by a non-profit organization, and 2) that the facility offer support services and outreach programs to its residents, the university, and the public.

The law was not designed to exempt fraternities and sororities from taxation, and the Legislature has previously excluded fraternities and sororities from the tax exemption statute.

However, the City of Madison is currently in litigation with a fraternity that claims to qualify as tax-exempt under this law. While the city is confident of its legal position, a loss in court would have a severe financial impact.

The assessed value of all the fraternities and sororities in the city is approximately \$30 million. Taking that amount of property off the tax rolls would shift a huge tax burden to businesses and homeowners. Further, it would be a burden borne only by Madison – none of the other municipalities that have colleges or universities would be subject to the exemption.

AB 496 will not affect the Pres House. The Pres House will continue to keep its exemption. AB 496 will tighten up the law to ensure that it serves only the purpose the Legislature intended it for.

The City of Madison would like to thank Rep. Vos for introducing AB 496, and urges you to support the bill. Thank you for the opportunity to testify.